

FGX ANNOUNCES PROFIT AND RECORD FULLY FRANKED FINAL DIVIDEND

- Pre-tax profit of \$2.74m
- Increased fully franked dividend to 2.1 cents
- \$3.82m expected donation to Australian children and youth at risk charities
- Savings of \$2.77m delivered from pro bono management, performance and services

Future Generation Investment Company Limited (ASX: FGX) today announced a pre-tax operating profit of \$2.74 million (HY2015: \$5.71 million) and an after-tax profit of \$2.01 million (HY2015: \$4.53 million) for the six months to 31 December 2016*. The change in profit is due to a reduction in distributions for the half year period.

For the six months to 31 December 2016 the investment portfolio increased 4.9%. During the period the S&P/ASX All Ordinaries Accumulation Index increased 9.9%, the S&P/ASX Small Ordinaries Accumulation Index rose 5.7% and the UBS Bank Bill Index rose 0.9%. FGX continued to outperform the benchmark in all negative months during the transitional period and in 92% of down months since inception in September 2014. During the period, the \$133 million raised through the exercise of FGX options increased the investment portfolio's cash levels relative to its historical holdings.

The board also announced a fully franked final dividend of 2.1 cents per share, a 5% increase on the previous period.

Chairman Jonathan Trollip said the participating fund managers had delivered a solid result for shareholders particularly considering the challenges of the Australian equities market during the last six months.

"The final dividend of 2.1 cents supports the Company's goal of delivering on its investment objectives of providing a stream of fully franked dividends to shareholders while protecting their capital and delivering capital growth," Mr Trollip said.

FGX Chief Executive Officer Louise Walsh said the Company is on track to deliver a third annual expected donation of \$3.82 million to charities focused on children and youth at risk payable in October 2017. This expected donation will represent a 67% increase from the previous year's donation of \$2.29 million.

"We are delighted to be on track to invest \$3.82 million in children and youth at risk, which would bring the total donations to \$7.75 million in just three years," Ms Walsh said.

Founder and Director Geoff Wilson said the dividend to shareholders and donations to charities were possible due to the skill and generosity of FGX's fund managers.

"Our 19 fund managers forgo both management and performance fees, allowing the Company to make a significant donation primarily to charities focused on children and youth at risk. This donation would not be possible without their incredible generosity. We cannot thank them enough," Mr Wilson said.

The value of fund managers' foregone management and performance fees totals \$2.46 million and the estimated value of the leading service providers working on a pro bono basis totals \$0.31 million.

*The Company's reporting period has changed with the financial year end moving from 30 June to 31 December 2016, effective from 1 July 2016.

ASX announcement

27 February 2017



Charitable objectives

The Company provides shareholders with unprecedented access to prominent Australian fund managers without paying management or performance fees. All participating fund managers have agreed to forgo management and performance fees, and Directors and most service providers are working on a pro-bono basis. This allows the Company to donate 1.0% of its average monthly net tangible assets (NTA) to Australian charities each financial year.

The objectives of the Company are to provide shareholders with an attractive investment and to provide an ongoing source of funding for Australian charities, with a focus on children and youth at risk. The Company's innovative structure promotes giving as well as wealth creation. The Company has partnered with 14 designated charities: Act For Kids, Australian Children's Music Foundation, Australian Indigenous Education Foundation, DEBRA Australia, Diabetes Kids Fund, Giant Steps, Kids Helpline, Lighthouse Foundation, Mirabel Foundation, Raise Foundation, United Way Australia, Variety, Youth Focus and Youth Off The Streets.

\$3.82 million donation to charities

The Company is on track to make an expected third annual donation of \$3.82 million payable in October 2017. This compares with \$2.29 million for the second annual donation and \$1.64 million for the inaugural donation. Since inception the Company will have made three annual donations totalling \$7.75 million including the donation payable in October 2017. The Company's 14 designated charities received their allocation of the second annual donation in October 2016. The FGX designated charities provide six monthly and annual progress reports.

Fully franked final dividend

The Board is pleased to announce a fully franked final dividend of 2.1 cents per share. The dividend will be paid on 21 April 2017 and will trade ex on 6 April 2017. The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. Shareholders are able to participate in the dividend reinvestment plan (DRP) and/or the Dividend Donation Plan (DDP). The DRP will operate at a 2.5% discount for the final dividend. The last election date for the DRP and the DDP will be 11 April 2017.

Investment portfolio

FGX has invested in 20 funds managed by 19 managers. The allocation to the managers has been structured to provide a spread between three broad equity strategies: long equities, absolute bias, market neutral and cash. The composition of the portfolio will vary over time in terms of strategies, funds and managers. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap stocks. As at 31 December 2016, the portfolio was 42.7% long equities, 22.2% absolute bias, 16.3% market neutral and 18.8% cash. The Investment Committee is in the final stages of deploying the additional capital raised of \$179,768,729 from the exercise of options which expired in September 2016.

ASX announcement

27 February 2017

Asset allocation as at 31 December 2016

Fund manager	Investment	Strategy	% of assets
	Large/Mid Cap Funds (split out below)		10.7%
Paradice Investment	Paradice Australian Equities Mid Cap Fund	Long equities	5.9%
	Paradice Large Cap Fund	Long equities	4.9%
Regal Funds Management	Regal Australian Long Short Equity Fund	Long equities	9.1%
Wilson Asset Management (International)	Wilson Asset Management Equity Fund	Absolute bias	8.6%
Watermark Funds Management	Watermark Absolute Return Fund	Market neutral	7.4%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	6.6%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	5.3%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	4.9%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	4.8%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	4.3%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	2.9%
Optimal Fund Management Australia	Optimal Australia Absolute Trust	Market neutral	2.9%
L1 Capital	L1 Capital Long Short Fund – Retail Class	Market neutral	2.6%
CBG Asset Management	CBG Asset Australian Equities Fund	Long equities	2.4%
Discovery Asset Management	Discovery Australian Small Companies Fund	Long equities	2.1%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	1.8%
Centennial Asset Management	The Level 18 Fund	Absolute bias	1.6%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	1.6%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.1%
Qato Capital	Qato Capital Market Neutral L/S Fund	Market neutral	0.6%
	Cash and Term Deposits	Cash	18.8%

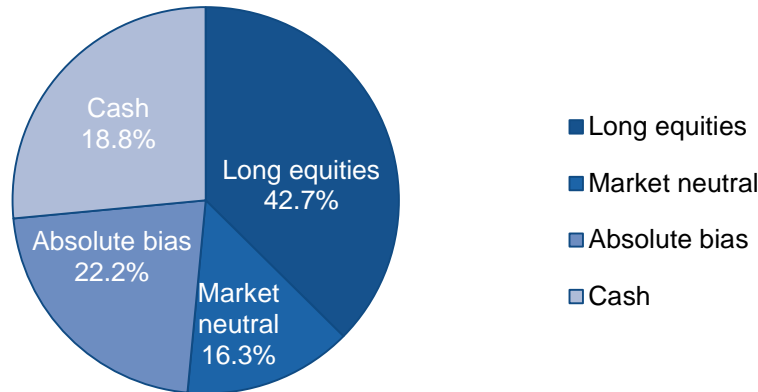
ASX announcement

27 February 2017



FUTURE GENERATION
INVESTMENT COMPANY

Investment strategy allocation (% of assets as at 31 December 2016)



Fund Managers



Charities



ASX announcement

27 February 2017



Service providers



About Future Generation Investment Company Limited

Future Generation Investment Company Limited (ASX: FGX) offers investors the opportunity to gain unprecedented access to prominent Australian fund managers through a single ASX-listed investment vehicle and also support Australian children and youth at risk charities. The Company offers diverse exposure to Australian equities through a range of different investment styles and strategies employed by its fund managers. Future Generation Investment Company Limited charges 0.0% management fees and 0.0% performance fees and intends to donate 1.0% of its assets each year to Australian charities, particularly those supporting children and youth at risk. The Company's investment objectives are to: provide a stream of fully franked dividends; to achieve capital growth; and preserve shareholder capital.

For more information visit www.futuregeninvest.com.au or contact:

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